

18th CONGRESS, }
1st Session.

[22]

MEMORIAL

OF

Sundry Merchants, Traders, and other Citizens,

OF THE

CITY OF NEW YORK,

PRAYING A DUTY ON

Sales by Auction.

JANUARY 5, 1824.

Referred to the Committee on Manufactures.

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1824.



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MEMORIAL.

To the Honorable the Senate and House of Representatives of the United States of America, in Congress assembled,

The memorial of the subscribers, merchants, traders, and other citizens, of the city of New York,

RESPECTFULLY REPRESENTS:

That, of all the evils with which the American merchants, manufacturers, and tradesmen, have to contend, in their competition with foreign capital, skill, and enterprise, there is none, perhaps, of equal magnitude, or fraught with consequences so ruinous and demoralizing, as those which flow from the present pernicious system of selling goods at *auktion*. The numerous evils of this system have grown with its growth, and strengthened with its strength; its paralyzing influence is felt in almost every branch of business, and by every class of the community.

To that portion of the American people who have invested their capital in manufacturing establishments, as well as those who are engaged in a course of fair and regular trade and commerce, the *auktion* system has been pregnant with numerous and fatal consequences.

It has been deemed strange, that a system so partial and unjust in its operations: so calculated to injure the many for the benefit of the few: to nurture the enterprise, sustain the industry, and advance the sinister views, of foreign nations, at the expense of the best interests of our own citizens,—should so long have been permitted to strike root, and spread its baleful influence on the vital interests of so great a portion of the community.

So forcibly has this view of the subject presented itself to the minds of some of our most learned jurists and enlightened citizens, that they do not hesitate to express their doubts of the legality, and even question the constitutionality of the principle. The Federal Compact, say they, which bound together a number of separate and independent states, by a community of interests and reciprocity of advantages, never did intend to give to a small portion of the community, an exclusive monopoly of any one mode of business, to the manifest injury of a large portion of their fellow citizens.

Of all the galling and oppressive burthens imposed on their people by the despotic Governments of Europe, there was none, perhaps, that excited a deeper murmur of complaint, or that produced a more general spirit of resistance, than did the odious system of exclusive monopolies, by which the parasites of court favor were enabled to enrich themselves, at the expense of the wretchedness and misery of their fellow subjects. The natural and direct tendency of this governmental patronage, was to create, uphold, and perpetuate, a proud aristocracy, who grew rich, in proportion as the rest of the community became impoverished; who were rendered callous and indifferent to the misery which their cupidity had created; and who appeared to act as if utterly regardless of the general distress—while that distress only tended to enhance the profits and emoluments of their iniquitous monopolies.

Amongst the numerous evils of our auction system, it is none of the least, that it partakes largely of some of the worst features of a mischievous and unjust *monopoly*. It is directly calculated, and actually does concentrate in the hands of a *few individuals*, an immense proportion of the business of our principal cities; it lays the foundation, and affords facilities for the practising of numerous frauds and impositions on both Government and People. Let it not be supposed that, in making this remark, there is the remotest intention of reflecting on the character of gentlemen engaged in the auction business in our city, many of whom are justly distinguished for their honorable and upright conduct in all their dealings, and who, from a just conviction of the incalculable evils to the community, resulting from the system, would themselves rejoice at the adoption of any measure that would tend to lessen or remove them.

From official and documentary evidence, it appears, that, of all the foreign merchandise imported into the United States—and which may be estimated at 60,000,000 of dollars annually—from one half to three-fourths are disposed of by sales at auction; and from the same source it further appears, that, of this enormous amount of the products of foreign industry, the greater part is owned by foreign manufacturers and traders.

It is a singular, and rather extraordinary circumstance, connected with the auction system, that, in its vast and various operations, it is made the instrument of wresting from the American merchant and trader, all those advantages originally intended by our Government for the encouragement of her own citizens, and of converting them to the benefit of the merchants and manufacturers of foreign nations. To illustrate this position, it may be observed, that, immediately after the organization of the present government of the United States, one of the first objects that engaged the attention of our legislators, was the regulation and establishment of a *Tariff*. Bearing in mind that the country was but just emerging from the impoverishing effects of a protracted warfare; that the limited capital of our merchants and traders required, from a fostering and paternal government, a liberal credit on the duties imposed on foreign merchandise,—they, with

a promptitude characteristic of their enlightened views and sound policy, granted a credit of eight, ten, and twelve months, on all importations from Europe, and a still longer credit on goods imported from beyond the Cape of Good Hope. So long as the streams of trade and commerce continued to flow through the ordinary and regular channels of business, diffusing their healthful and salutary influence among all classes of the community, this liberal policy of the Government was attended with very beneficial effects to our citizens, and resulted in but little loss or inconvenience to the finances of the country. But the system pursued of late, by alien merchants and traders, of selling nearly the whole amount of their immense importations at auction, has driven from the field of competition a large portion of the American merchants: hence, the advantages of an extended credit on duties, held out by our Government, for the protection and patronage of her own citizens, is now almost exclusively enjoyed by foreigners; and the liberal credits which were extended as a benefit and *blessing* to our people, are, by the ruinous operations of the auction system, actually converted into a formidable and wide-spreading *curse*.

From the facilities afforded of effecting speedy sales of all kinds of goods at auction, and the short period in which voyages to and from Europe are of late performed; the most powerful inducements are constantly offered to foreign merchants and manufacturers, to pour the whole of their refuse and surplus productions into our market, to the serious injury of the American trader, and the ruin of our manufacturing establishments. The long credit on the duties comes in to their aid; it operates as a bounty; and, in the course of a short time, it furnishes the foreigner with United States funds equal to the whole of his capital originally invested.

From this view of the subject, does it not evidently result, that the auction system is attended with incalculable mischiefs to almost every class of American citizens? It remains, then, for our Government to interpose its authority; and, by the salutary operation of an efficient duty on sales at auction, to protect our citizens against that intolerable evil which presses upon all the energies and enterprise of the country. Unless this is done, and done speedily, most of our laws, avowedly passed for the protection of *American* commerce and manufactures, will as effectually be made subservient to the exclusive interest of foreigners, and the injury of our own citizens, as if those laws were expressly passed for the sole benefit of the former, and the discouragement and ruin of the latter.

Your memorialists persuade themselves, that your honorable bodies will interfere to correct the evils resulting from the system, to which they again solicit the attention of the Government; a system which, in its more immediate effects, encourages frauds on the revenue, depresses domestic manufactures, facilitates impositions on the public, destroys the mercantile character, and is ruinous to that class of citizens to which your memorialists belong; and the injurious re-

sults of which, ultimately fall upon the agricultural and laboring part of the population.

They therefore respectfully pray your honorable bodies to impose a duty of ten per centum on sales by auction, excepting the effects of bankrupts and of deceased persons, goods sold for the benefit of underwriters, shipping, and real estate.



